IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 175 of 2006
In
COMPANY APPLICATION No. 481 of 2006
With
COMPANY PETITION No. 176 of 2006
In COMPANY APPLICATION No. 482 of 2006

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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STANDARD TEA PROCESSING COMPANY LTD. - Petitioner(s)
Versus
. - Respondent(s)

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Appearance :
MRS SWATI SOPARKAR for Petitioner(s) : 1,
MR PURVISH J MALKAN for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH
Date : 01/12/2006

ORAL JUDGMENT

These are the Company Petitions filed by two petitioner companies for sanction of Scheme

of Arrangement in the nature of amalgamation of Standard Tea Processing Company Ltd with Gujarat Tea Processors and Packers Limited. The Standard Tea Processing Company Ltd., petitioner of Company Petition No. 175 of 2006 is the Transferor Company and applicant of Company Petition No. 176 of 2006, i.e., Gujarat Tea Processors and Packers Limited is the Transferee Company and both these Company Petitions are filed for sanction of Scheme of Arrangement in the nature of amalgamation under the provisions of Section 391 and 394 of the Companies Act, 1956.

2. It is submitted that both the companies are closely held Public Limited Companies and belong to the same group of management. It is submitted that both the Companies are engaged in the business of purchasing, blending, packing and selling of tea in the brand name of “Wagh Bakri”. Thus, both the companies are in the similar line

of commercial activities which are complimentary to each other. It is submitted that amalgamation is proposed to achieve synergic advantages. In both these petitions, the respective petitioners have given details of the advantages that would flow by virtue of the arrangement between the two companies.

3. Vide order dated 15.9.2006 passed by this Court in Company Application No. 481 of 2006, meetings of shareholders, secured creditors and unsecured creditors of Transferor Company were dispensed with having procured and presented approval to the proposed Scheme of Arrangement by the respective shareholders, secured creditors and unsecured creditors [Page No. 35]. Similarly, the meeting of the shareholders of the Transferee Company was also dispensed with by this Court vide order dated 15.9.2006 in Company Application No. 482 of 2006 in view of the consent letters placed on record approving the

proposed scheme of arrangement [Page No. 35].

4. After the petitions were admitted, the same were duly advertised in newspapers, “Times of India” in English and “Sandesh” in Gujarati, both in Ahmedabad Editions dated 9th October 2006 and publication in Government Gazette was dispensed with, as directed in the order of this Court dated 19.9.2006. Affidavit dated 18th October 2006 has been filed along with proof of publication. No one has come forward with any objection to the said petitions even after publication.

5. Notice of the petition of the Transferor Company was served upon the Official Liquidator attached to this Court and the Official Liquidator has submitted Report dated 26th October 2006. It is observed that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interests of their

members or to the public interest.

6. Notices of the petitions have been served upon the Central Government and Shri P.J. Malkan, learned Central Government Standing Counsel appearing for the Central Government has placed on record an affidavit dated 18th October 2006 filed by the Deputy Registrar of Companies along with letter of Regional Director, Ministry of Company Affairs, Mumbai, dated 16th October 2006 whereby it is communicated that the Central Government has no objection to the sanction of proposed scheme.

7. I have heard Mrs. Swati Soparkar, learned advocate appearing for the petitioning companies. I have also heard Shri PJ Malkan, learned Central Government Standing Counsel appearing for the Central Government.

8. Considering the averments made in the

Company Petitions, Report of the Official Liquidator, as well as the affidavit along with letter dated 16th October 2006 filed by the Regional Director, Mumbai, and considering the proposed Scheme of Arrangement, and considering the fact that the proposed Scheme of Amalgamation has been approved by all concerned, and it also appears to the Court that the amalgamation would be in the interests of the companies, their shareholders and creditors, the prayers in terms of Paragraph 15(a) of Company Petition No. 175 of 2006 and 15(a) of the Company Petition No. 176 of 2006 are hereby granted.

9. Both these petitions are accordingly disposed of. So far as costs to be paid to the learned Additional Central Government Standing Counsel, the same is quantified at Rs. 3500 per petition and the same may be paid to Shri Malkan,

learned Central Government Standing Counsel by

the respective petitioners.

Rmr. *[M.R. Shah, J.]*